

P 251144Z AUG 09
FM AMEMBASSY PORT AU PRINCE
TO SECSTATE WASHDC PRIORITY 0315
INFO HAITI COLLECTIVE PRIORITY
AMEMBASSY SANTO DOMINGO

UNCLAS PORT AU PRINCE 000754

STATE FOR WHA/EX AND WHA/CAR
S/CRS
SOUTHCOM ALSO FOR POLAD
STATE PASS AID FOR LAC/CAR
INR/IAA
WHA/EX PLEASE PASS USOAS

E.O. 12958: N/A

TAGS: [ECON](#) [ENRG](#) [EAID](#) [EAGR](#) [EINV](#) [ETRD](#) [BEXP](#) [HA](#)

SUBJECT: HAITI ECONOMIC WEEKLY UPDATE FOR AUGUST 3 TO AUGUST 7,
2009

¶1. (U) Summary. This is a weekly report on a variety of topics of interest which do not merit full reporting cables. End summary.

¶2. (U) Compassion-Haiti, a non-governmental organization (NGO) in Haiti, presented the keys for 30 houses (worth USD 350,000) to the mayor of Cabaret. The houses are designated for victims of last year's hurricanes.

¶3. (U) USAID and SOGEBANK launched the "Haitian Diaspora Marketplace" project. This project facilitates the revitalization and creation of small and medium businesses by the Haitian Diaspora, establishes a consortium of business through investment projects, and finances individual investors.

¶4. (U) The director of the Council for the Modernization of Public Enterprises (CMEP) states that Haitian telecoms parastatal TELECO may be overvalued at HTG 6 billion (USD 150 million). Modernization of TELECO should be finalized by December and the call for bids to find a "strategic investor" is scheduled for the end of August. The GoH will retain 40 percent of the company shares.

¶5. (U) The European Commission is working with GoH and GoDR to adjust tariff rates between the two countries as part of the effort to bring Haiti fully into the EPA (Economic Partnership Agreement) with the European Union. Haiti and the Dominican Republic, members of the CARIFORUM group, have been unable to agree on revised tariff rates between the two countries.

¶6. (U) The Directorate General of Taxation (DGI) revealed that fraud and tax evasion deprives the GoH of approximately 20 percent of annual tax revenues. A bill to update the current tax structure is pending in Parliament.

¶7. (U) Total annual remittances amounted to USD 763.9 million as of June 2009, one percent higher than the same period last year. June remittances totaled USD 79.6 million, a decrease of seven percent from the previous month. This is a seasonal effect, since many Haitian Diaspora come to Haiti for the summer and send less money from abroad.

¶8. (U) The GoH will probably not meet its revenue target for the current fiscal year. As of end July, the GoH had collected 78 percent of their projected revenues for FY09. Total revenues amount to 25.5 billion HTG (USD 615.6 million) against a budget projection of USD 800 million.

¶9. (U) USAID launched a USD 1.2 million training program to increase cocoa production in Haiti's Northern and Grand'Anse departments. 4,200 farmers will participate in the program, which will extend through July 2010.

¶10. (U) The Haitian Diaspora held their second annual congress on August 6 to 9 in Miami on Haiti's economic challenges. A delegation led by Prime Minister Pierre Louis attended this meeting, as did former U.S. President Bill Clinton.